



**RBA
AUSTIN HOUSING FINANCE CORPORATION
RECOMMENDATION FOR BOARD ACTION**

**AGENDA ITEM NO.: AHFC-2
AGENDA DATE: Thu 03/03/2005
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SUBJECT: Authorize the negotiation and execution of a Community Housing Development Organization forgivable loan, in an amount not to exceed \$190,000, to AUSTIN HABITAT FOR HUMANITY for the acquisition of not fewer than seven vacant lots for the construction of single-family homes for low- and moderate-income, first-time homebuyers.

AMOUNT & SOURCE OF FUNDING: Funding is available in HOME grant funds Year 13 and allocated in the Fiscal Year 2004-2005 budget of Austin Housing Finance Corporation.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Austin Housing Finance
DEPARTMENT: Corporation

DIRECTOR'S
AUTHORIZATION: Paul Hilgers

FOR MORE INFORMATION CONTACT: Paul Hilgers, Director, Neighborhood Housing and Community Development, 974-3108.

PRIOR BOARD ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

The Austin Housing Finance Corporation (AHFC) Board is requested to authorize the negotiation and execution of a Community Housing Development Organization (CHDO) forgivable loan to Austin Habitat for Humanity (AHFH), in an amount not to exceed \$190,000. The loan proceeds will be used for the acquisition of not fewer than seven vacant lots, to be used for the construction of affordably priced, single-family homes for low- and moderate-income first-time homebuyers. All acquisition funded under this forgivable loan will be required to have an Environmental Fund Release and to follow the Uniform Relocation Act, as amended, for voluntary conveyances.

These affordable homes will be sold to families successfully completing AHFH's program. The buyer's total household income will not exceed 80% of Austin's Median Family Income (currently \$56,900 for a family of four).

AHFH has been building affordable homes in Austin since 1985. AHFH is a non-profit 501(c)(3) CHDO that develops affordable housing and provides homeownership opportunities for families successfully completing its program. To construct its homes, AHFH utilizes volunteer labor, paid contractors, and a significant volunteer commitment by the prospective homebuyer. AHFH also provides a zero-interest rate mortgage to the homebuyers for a term of up to 30 years.

In AHFH's Strategic Plan for 2005-2010, AHFH has outlined a commitment to serve 150 families, through building 100 new homes and repairing 50 homes. AHFH's production goal for 2005 is to build 20 new homes. This funding will allow AHFH to purchase not fewer than seven vacant lots, in order to meet their goals for this year.